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**D O C U M E N T S**  
**on**  
**The National Congress**  
**of Activists of Local Industry**  
**and**  
**Producers' Co-operatives**

**FOREIGN LANGUAGES PUBLISHING HOUSE**  
**Pyongyang, 1959**

On October 12-15, 1959, the National Congress of Activists of Local Industry and Producers' Co-ops was held in Pyongyang.

The Congress summed up the achievements registered by our local industry as well as the victory gained in the socialist transformation of private trade and industry, and outlined tasks for further developing the local industry in the future.

Convened at a time of great upsurge in socialist construction in Korea, the Congress was of historic significance for further developing the local industry and accelerating the upbuilding of socialism.

We compile in this book the report to the Congress, a concluding speech and an appeal.

*November 1959*

Editorial Board

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## FOR THE FURTHER DEVELOPMENT OF LOCAL INDUSTRY

### Concluding Speech of Premier Kim Il Sung at the National Congress of Activists of Local Industry and Producers' Co-operatives

*Premier Kim Il Sung delivered the concluding speech at the fourth day's afternoon session on October 15 of the National Congress of Activists of Local Industry and Producers' Co-operatives.*

*As Premier Kim Il Sung mounted the rostrum all rose and accorded him warm, heartfelt welcome with prolonged and thunderous ovation, shouting "Long live the Workers' Party of Korea!" "Long live Marshal Kim Il Sung!"*

*The atmosphere was electrified with deep emotions and excitement.*

*Referring to the significance of the present Congress of Activists of Local Industry and Producers' Co-operatives, Comrade Premier said:*

We have summed up these four days the successes our local industry has achieved and the victory in the socialist transformation of private trade and industry in our country, and sincerely discussed the tasks for further developing local industry.

The present Congress will turn a new leaf of historic significance in the annals of our socialist revolution and socialist construction.

At this Congress, former individual tradesmen and industrialists, technicians in private trade and industrial enterprises and those once engaged in liberal professions, as well as former handicraftsmen, cherishing the honour of being socialist builders, expressed with one mind of the same family members their resolution to further strengthen the struggle to accelerate the peaceful unification of the country and socialist construction in the North and improve the material and cultural standards of the people.

The present Congress will mark a significant turning-point in developing the local industry and pressing ahead with the socialist construction in our country.

I extend heartfelt congratulation to this Congress for its great successes.

*Comrade Premier referred to the tremendous success achieved in the field of local industry since the June 1958 Plenum of the Party Central Committee, and continued:*

As was pointed out in detail in the report of Comrade Kim Il and unanimously emphasized in the discussions of many comrades, we have made in a short time really great, marvelous achievements.

Since the June 1958 Plenum of the Party Central Committee, or in one year or so, the number of local industrial factories and enterprises has increased to some 2,000.

The output value of the local industry this year is estimated at 27.5 per cent of the nation's gross industrial



output value and 45.1 per cent of the total output of consumer goods for the population.

Numbers of local factories built in so short a space of time played no small part in satisfying the requirements of the people for daily necessities by producing them in quantities.

Also the rapid development of the local industry contributed greatly to the increase of national income.

As was referred to by many comrades in their discussions, the struggle for these achievements brought about many amazing and miraculous exploits as well as moving and emotional deeds defying description.

Such heroic and valiant struggle can only be waged by the united force of our working people, of our brave people who, firmly rallied round the Party and the Government, are marching forward under the correct leadership of the Workers' Party of Korea.

The ranks of our socialist builders have further swelled and the forces of our revolution have grown in strength and scope in the course of the struggle for developing local industry.

Besides the workers in the state-run large factories and enterprises, we have enlisted in the ranks of the working class those dependent family members of workers and office-workers, and many other people, by building newly factories in rural districts.

In addition, all of the former individual tradesmen and industrialists have now become socialist working people, enlisted in the producers' co-operatives of the socialist economic form.

Moreover, through this struggle, our country came to

possess quite a number of medium- and small-scale factories producing daily necessities along with the state-run large factories and enterprises.

As mentioned above, our achievements are great.

Highly appraising such tremendous achievements attained in so short a time by our workers and technicians engaged in local industry and members of the producers' co-operatives who answered the call and decision of the Party, I, on behalf of the Party Central Committee and the Government of the Republic, extend heartfelt gratitude to you, the entire workers in local industry and the members of producers' co-operatives.

*Referring to the necessity of further developing local industry, not being carried away by the successes achieved, Comrade Premier emphasized:*

Though our successes are great, we must not allow ourselves to be carried away by them. Now we have only laid the foundation of local industry. On this foundation, we must further develop the local industry.

Never slackening the pace of Chullima, we must quicken the speed of our advance and bring about continuous innovation. For our economy is yet to reach a higher level and the people's livelihood, too, cannot be claimed well off yet.

With the elimination of colonial onesidedness in economy, we have only built self-supporting foundation to develop our economy and created conditions for accelerating its development in a sweeping way.

As to the people's life, we can safely say that, having

healed the war wounds, we have created conditions for building a rich and happy life.

For this reason, we must march forward more vigorously towards the high eminence of socialism by continuously developing the productive forces in our country and further consolidating the material and technical foundation of the national economy.

A while ago the enlarged meeting of the Presidium of the Party Central Committee gave instruction to create a self-supporting foundation for the local industry with a view to further expanding and developing medium- and small-scale local industry alongside the large-scale national industry, and adopted and carried through the decision to dispatch a number of capable cadres to the local industry by sharply curtailing personnel in the central organs.

These measures taken by the Party will accelerate the development of local industry.

*Then referring to the fundamental tasks of the further development of local industry, Comrade Premier said as follows:*

We must further consolidate the successes attained in local industry and, on this basis, bring about a new, epochal development.

For this purpose:

First, raw materials for local industry should be tapped more extensively and firm raw material bases be established.

Not solely relying upon the waste material from the state-run factories or raw materials allocated by the State Planning Commission, local industrial factories and pro-

ducers' co-operatives should create raw material supply bases by exploring raw material resources in each locality.

We must create conditions to supply raw materials in time for the normal production by extensively utilizing the natural resources which abound in our mountains and seas and securing raw materials in each locality.

Secondly, we must strengthen the technical equipment of local industry and bring about continuous technical innovation.

Technical innovation—this is one of the important tasks for the socialist construction in our country.

Our Party set the task of completing in the shortest time all-out technical reconstruction in the national economy.

What is the technical innovation in the local industry?

It means to replace the outmoded, handicraft equipment with the power-driven machines, to help workers, technicians and office-workers be firmly versed in new techniques and to increase production by new methods.

We cannot put up with the outmoded, indigenous methods for a long time.

For this reason, we must start with the semi-mechanization and then develop it to a higher stage. In other words, at the outset we will do half of the work by indigenous methods and the remaining half by mechanization.

And we must make technical innovation so as to gradually switch over from semi-mechanization to complete mechanization.

Many comrades dealt with the technical innovation being made everywhere in their discussions. That is a good

thing. We must organize and develop constantly such technical innovation in all fields of work.

To introduce more new techniques in production, the workers, technicians and office-workers of local industry should wage a stubborn struggle to master new techniques.

Thirdly, it is very important to increase the variety of products and continuously increase the volume of production, and at the same time, to improve further the quality of products.

The articles of daily use are not yet so plentiful in our country.

We are in need of many things and are unable to meet fully the people's demands.

Hence, today, one of the important tasks confronting us is to increase continuously the variety of products and increase further their volume. At the same time, the quality of products must be bettered.

I know that there are difficulties: some workers' technical level may be low; some factories may have poor production facilities; and some may have difficulties in getting raw materials. But, no small number of the products produced at local factories are low in quality and not to the taste of the people.

Therefore, as pointed out at the February 1959 Plenum of the C.C. of the Workers' Party of Korea, the quality of products must be improved decisively, making them durable, handy and attractive so that they will suit the taste of all people.

The things you turn out are for the use of the people. This is why you must make them more durable, more beautiful and handier like those to be used by yourselves.

Fourthly, it is important to manage rationally the local factories and producers' co-operatives.

No small number of the comrades in our newly established local factories and newly organized producers' co-operatives have no experience in managing factories. This is why not a few absurdities crop up in managing factories.

For the rational management of a factory, it is important before anything else to strengthen the cost-accounting system and make the factory pay. First of all, we must reckon accurately to see whether the factory is gaining or losing, whether the factory pays or not. We must make the factory pay. Even yet some people run factories but do not reckon to find out whether the factories pay or not.

Such a defect must be eliminated at once.

You must make factories pay and at the same time turn out more goods that are cheap in price but high in quality by rationally organizing labour, continuously raising labour productivity and systematically reducing production cost.

Order and discipline must be established in factories. In producers' co-operatives in particular, the socialist principle of distribution must be strictly observed, common properties be protected with care, and a struggle be waged for eliminating every practice of waste.

To this end, it is important to continuously raising business capacity of the leading personnel.

Fifthly, efforts must be made continuously for carrying out the cultural revolution.

In carrying out the cultural revolution, an important task confronting the entire workers in the field of local industry and the entire producers' co-op members is to raise further their level of knowledge.

Unless the average cultural and educational standards of the people are raised, neither the enhancement of their technical level nor the further development to a higher stage in socialist construction can be expected.

This is why every one of the workers in the field of local industry and producers' co-op members must strive in a mass movement to acquire knowledge of the primary school or middle school graduates.

In factories and producers' co-operatives, production culture must be continuously enhanced. It can by no means be tolerated indefinitely to maintain such low level of production culture as in some local factories or producers' co-operatives.

First of all, workshops of the local factories and producers' co-operatives must be kept clean and in good order. And in the local factories and co-operatives, well-planned and convenient workshops should be built in the future so that the workers and co-op members can work under best conditions. Step by step, modern houses should be built for the workers and co-op members so that they can enjoy a more cultured life. Besides houses, club houses, theatres, cinemas, etc. should be built separately by a factory or jointly by a few factories. Under the condition in which many women are working at local factories, more nurseries, kindergartens, laundries, bath houses, restaurants for common use, and other establishments for cultural life

as well as sanitary arrangements should be provided gradually as the factories grow.

Surroundings of factories and dwelling houses must be kept clean and all the necessary steps for ensuring good sanitary conditions be taken positively.

Workers must bring about innovation in production, and at the same time should possess the characteristics of the advanced working class in daily life.

Sixthly, the struggle for wiping out the remnants of capitalist ideology must be intensified further.

Today to give the people an ideological education to root out the remnants of capitalist ideology in their minds and arm them with Communist ideology is one of the most important tasks confronting our Party and the entire socialist builders.

For a long time, our people have been infected with the feudalistic and degenerated capitalist ideological remnants. Consequently, though the socialist transformation of social, economic system has been completed, the people's ideology has not been remolded completely yet. Therefore stress should be laid continuously on the ideological education of the people so as to enable them to eliminate the remnants of capitalist ideology and arm themselves with Communist ideology.

First of all, everyone should arm himself with the lofty ideology of the working class, the ideology of rejecting the remnants of such bourgeois ideologies as avoiding labour, living at others' expense and swindling others, the ideology of taking the lead in any difficult work, of regarding labour as an honour and living proudly by the sweat of the brow, and of helping each other. And at the same time all the



people should wage a struggle against the ideology of valuing only one's own things and neglecting common properties, and arm themselves with the ideology of protecting common properties with care and of loving their own factories, native places, the country and the socialist camp.

Thus, the people must be remolded into new people adapting themselves to the transformed social, economic system.

To remold ideology is by no means an easy task and it cannot be done in a day.

This is why untiring efforts must be made under the guidance of the Party for conducting ideological education.

By translating the tasks mentioned above into reality, we must develop further the local industry along the line of developing medium- and small-scale industry in parallel with the powerful national industry, thereby accelerating our socialist construction and further improving the people's life.

*In conclusion Comrade Premier said as follows:*

Today the unity of the socialist camp headed by the Soviet Union is firm as never seen before. And economy, culture and science of all the countries in the camp are making a very rapid advance. Socialism is triumphing while capitalism is declining with every passing day.

Today in our country, too, the revolutionary forces are growing rapidly. This is a prospering and flourishing era for our nation and the people.

Our socialist construction is making progress satisfactorily.

We should not rest content with our victory.

We must continue, never relaxing our efforts and rallying ever more firmly around the Party Central Committee, the onward march towards fresh victory in order to accelerate the socialist construction.

*When Comrade Premier concluded his speech, the entire attendants rose again with cheers and shouts of "Long live the Workers' Party of Korea!" "Long live Marshal Kim Il Sung!"*

*Deeply moved by and excited with boundless joy at the instructions given by Comrade Premier, the entire attendants of the Congress renewed their firm resolve to further develop the local industry and accelerate the socialist construction in line with these instructions.*

## ON FURTHER DEVELOPMENT OF LOCAL INDUSTRY

**Report of Comrade Kim Il, First Vice-Premier, Delivered  
at the National Congress of Activists of Local Industry and  
Producers' Co-operatives**

*October 12*

Comrades,

Our people, having overcome many difficulties and trials, have scored tremendous successes in the socialist revolution and socialist construction in no more than 5-6 years after the war under the leadership of the Workers' Party of Korea.

In our country the socialist transformation of the relations of production has been completed and exploitation of man by man has been done away with once and for all.

Today, socialist construction has registered a greater upsurge and the entire working people continue to advance confidently toward the eminence of socialism at the speed of the Chullima (winged horse).

Thanks to the heroic labour of our working class the productive forces of industry are developing at an un-

precedentedly high tempo. During the postwar five years industrial production grew 5.6 times; in the first half of this year it registered a high increase of 75 per cent compared with the corresponding period of last year. Our workers, keeping up unremitting innovation and constant upsurge in production according to the call of the Party, fulfilled the enormous and arduous tasks of the First Five-Year Plan in a matter of two and a half years as regards the total industrial output value.

The colonial onesidedness in our industry, a leftover of the Japanese imperialist rule, has been wiped out and the material and technical foundations of industry have been further strengthened. We now find ourselves in a position to build modern industrial installations such as power station, blast furnace, and coke oven on our own; we have become capable of turning out lorries, tractors, excavators and other large-size machines and equipment. At all factories and enterprises the movement for multiplying machine tools is afoot on a large scale by virtue of the creative enthusiasm of the working people. This popular movement had given birth to over 10,000 more machine tools than the state plan by the end of September this year, and gave a greater impetus to socialist industrialization in our country.

Great successes have also been achieved in the development of agriculture. Thanks to the enormous assistance of the state and the surging labour enthusiasm of the peasants, we have scored a decisive victory in the irrigation of farmland and the electrification of the countryside; at present main efforts are concentrated on the mechanization of field work. Though there has been damage by

droughts, storm and floods every year, agricultural production has been growing constantly at a high rate. As for the production of grain and other farm products, this year the crop harvest will be by far greater than last year; livestock farming will attain a higher level.

In the past our country was a backward, colonial agrarian country. To add to this, the war devastated our national economy to the extreme, and turned our towns and countryside into ruins. Our country, however, is now turned into a socialist industrial-agricultural state with the foundation for self-supporting economy. Our country's towns and rural villages have sprung up, taking on a new look. They have been made more beautiful.

The living standard of the people has risen considerably, and their cultural standard is rising further. On all fronts of socialist construction an uninterrupted upsurge is registered and the life of all our people is becoming more prosperous with every passing day.

The entire working people of our country may well be proud of the great victory and achievements they have attained on the path of creating a new, socialist life under the guidance of the Workers' Party of Korea led by Comrade Kim Il Sung.

A new, broad vista is now opened up before us for the upbuilding of socialism. From 1961 we shall embark upon the Second Five-Year Plan which is of decisive importance for socialist construction in our country. When successfully fulfilled, the Second Five-Year Plan will transform our country into an advanced socialist industrial state and enable our people to enjoy a high material and cultural standard.

Local industry holds a place of great importance in socialist construction in our country.

Under the leadership of our Party our people have scored tremendous successes in setting up and developing local industry and achieved the triumphant completion of socialist transformation of private trade and industry. Workers in the state-owned local industries and members of the producers' co-operatives, displaying high labour enthusiasm and inventiveness, have made a great contribution to meeting the demands of the working people for consumer goods and ensuring the rapid development of the national economy as a whole.

The entire working folks in local industry are now striving to establish the system of local industry and further develop it, thereby promoting socialist construction in our country.

The present congress is going to sum up the tremendous successes achieved by our working people in implementing the decision of the June 1958 Plenum of the Central Committee of our Party on the renovation in a nation-wide movement of the food-processing industry and the production of daily necessities.

We are going to sum up the brilliant victory we have scored in the socialist transformation of the private trade and industry, which constitutes an important component of the socialist revolution.

We must discuss in good earnest the immediate tasks for further development of local industry, thereby making this congress a major turning point in the development of the economy of our country as a whole.

## **1. THE SUCCESS ATTAINED IN THE STRUGGLE FOR THE CREATION OF STATE-OWNED LOCAL INDUSTRY**

Comrades,

Our Party has always directed profound attention to the development of medium- and small-scale local industry along with that of large-scale national industry to mobilize the reserves and initiative of localities for the development of economy and to meet more satisfactorily the growing demand of the people for consumer goods.

After liberation, with the active support of the entire people, our people's power effected the nationalization of industry, with the result that factories, mines, transport and communication facilities and banks which were formerly owned by the Japanese imperialists, pro-Japanese elements and national traitors came into the people's possession. While concentrating main efforts on the rehabilitation and expansion of large-scale heavy industry and the building of modern light industry directly managed by the central organs relying on the factories and enterprises which came into public ownership as a result of the nationalization of industry, we began to construct and develop provincially-run factories of the state-owned local industry from 1947.

Already, in the peaceful construction period before the war the state-owned local industry had become an important source of the production of people's consumer goods.

Especially, the significance of local industry assumed

a greater proportion and its role was enhanced to a marked extent during the period of the grim Fatherland Liberation War. Under the condition in which the large-scale national industry suffered heavy damage, our Party exerted every effort for the maintenance and further expansion of medium- and small-scale local industry. As a result, even under such difficult conditions of the war we could not only continue to produce the consumer goods, but also ensure their growth, and supply ceaselessly daily necessities to the front and the rear.

Following the war, we were confronted with the difficult tasks of rapidly restoring and developing the war-devastated industry and rural economy and improving the deteriorated people's living in a short space of time. The key point in successfully solving the fundamental task of the post-war rehabilitation and construction was to restore and develop before all else heavy industry in our country which had a certain foundation. Proceeding from this, our Party laid down the general line for the post-war economic construction—the line of giving priority to the growth of heavy industry along with the simultaneous development of light industry and agriculture—and mobilized the popular masses for its implementation.

Thanks to the correct policy of our Party and the devoted labour of the working people, remarkable success was achieved in the socialist construction in our country only in 4-5 years following the war.

Along with the rapid development of heavy industry, the bases of light industry were newly established and the grain production in the rural economy further grew.

The growth of industrial and agricultural production



and the establishment of socialist relations of production in towns and the countryside resulted in a considerable improvement of our people's life. The real wages of workers and office employees surpassed the pre-war level by far and the incomes of peasants rapidly increased. We have solved the difficult food problem and it is now possible for us to meet to some extent the demand of the working people for textile goods. And we have improved their housing conditions considerably.

Under the conditions in which the most urgent and basic questions have been solved and the purchasing power of the working people has rapidly increased, they want more varied and better-quality foodstuffs and articles of daily use.

Comrade Kim Il Sung taught us:

"Now that the food and clothing problems have been basically solved and the people supplied with dwelling houses, though they may be modest in some cases, we cannot but think how to live better, as the old saying goes, 'The more we have, the more we want.' It is the urgent demand of the people to enjoy a more cultural and convenient life."

We were confronted with the urgent task of bringing about an epochal increase in the production of consumer goods for the people, in particular, the production of processed foods and daily necessities.

It was very difficult to accomplish this task in a short space of time in our country. Light industry was in an extremely backward state in the past, and on top of this the country suffered greatly during the war. As is well

known to everybody, our industry bequeathed by the Japanese imperialists was colonial industry which produced chiefly raw materials and semi-finished goods.

In order to plunder the abundant resources of Korea and turn Korea into their market, the Japanese imperialists developed almost no light industry in our country. Furthermore, they destroyed even the traditional handicraft of our country. The few factories of light industry which the Japanese imperialists had built were to be found chiefly in South Korea. It was for this reason that light industry in the northern part of our Republic following the country's liberation was in an extremely backward state.

In order to eliminate such colonial onesidedness of our industry, our Party spared no efforts to build the base of light industry from the very first day of liberation.

Particularly after the war, we established the base of light industry by newly building, restoring or expanding numbers of large-scale light industry factories including the Pyongyang Textile Mill, Chungjin Spinning Mill, Ryongsung Meat Packing Factory, Shinpo Fish Cannery and Pyongyang Corn-starch Factory. Despite such a rapid development, our light industry has not yet grown enough to meet the growing demand of the people.

For solving in a short space of time the question of satisfying the requirements newly arising in the people's life, special measures had to be taken for an epochal development in the production of popular consumer goods.

For the solution of this question, Comrade Kim Il Sung presented the main line of policy of developing continuously the large-scale national industry, and at the same time, developing medium- and small-scale local

industry on a wide scale by tapping widely reserves and potentialities latent in local districts.

On the initiative of Comrade Kim Il Sung, our Party discussed at the June 1958 Plenum of its Central Committee the question of innovating the food processing and daily necessities industries by launching a nation-wide movement, and adopted relevant decisions. And for the successful translation of these decisions into reality, the Party put forth the task of building more than one factory in every city and county.

The decisions of the June 1958 Plenum of the Party Central Committee stirred up the limitless creative zeal of the broad working masses, bringing about a radical change in the development of local industry.

In all parts of the country, numbers of factories have risen up like mushrooms after a rain. Only in two or three months after the Plenum, over 1,000 local factories were built, of which over 85 per cent started production while carrying out construction. As of the end of June this year, the number of province-, city- and county-run factories reached 1,473 and the total number of local factories including the producers' co-operatives 2,038.

The leading workers and the broad working masses in the field of local industry built a great number of factories by shattering the mystery about technology, displaying creativeness and mobilizing reserves and potentialities latent in local districts. These factories are now turning out hundreds of new varieties of foodstuffs and daily necessities, quite unthinkable in the past. The varieties keep expanding and the volume of production is growing rapidly.

Compared with 1949, this year our local industry including producers' co-operatives will grow 2.6-fold in the number of factories, 8-fold in the number of employees and 13-fold in the output value. This year the share of local industry in the gross industrial output value will hold 27.5 per cent and that in the production of popular consumer goods 45.1 per cent.

The variety of products in the local industry increased rapidly from 1,780 at the end of June last year to 3,260 at the end of August this year.

Our local factories have been actively taking part in the movement for multiplying machine tools, too. Up to now they have made 1,900 machine tools on their own and scored considerable achievements in improving technical equipment of local factories. Our local industry which was insignificant in the past has become a powerful force playing a great part in the national economy as a whole.

Under the guidance of the Party, our working people have brought about another great change in our economic life by creating the new base of local industry. They have wrought a great miracle.

Comrades,

Our achievements scored in the course of carrying through the decisions of the June 1958 Plenum of the C.C. of the Workers' Party of Korea are of great political and economic significance for the country's socialist upbuilding.

With the wide-scale development of medium- and small-scale local industry it has become possible for us to ensure an epochal growth in a short space of time without much state investment in the production of foodstuffs and daily necessities, and meet more effectively the demand of

the people for goods. Rapid growth of the production of popular consumer goods has created a possibility of directing more state investment to the development of modern heavy industry, thereby greatly accelerating the realization of the country's socialist industrialization and an overall development of the national economy.

The development of local industry also played an important part in carrying out the First Five-Year Plan in the gross industrial output value by the end of June this year, two and a half years ahead of schedule.

The medium- and small-scale factories have been widely distributed throughout the country. As a result, production has been brought closer to the sources of raw materials and consumption areas, and it has become possible to tap more widely reserves and potentialities latent in local districts. Irrational transportation is being eliminated, and the abundant raw materials untapped so far and idle materials and man-power in local districts are being used effectively for the rapid growth of production. This has brought about the great growth of social labour productivity, constituting an important factor for reducing the production cost.

With the establishment of local industry in each city and county, the role and functions of the local governments have been enhanced in the industrial construction and the broad working masses have been enlisted in the industrial management. The workers in the local Party and government organs and broad working masses, shattering the mystery about industry, are displaying a high tone of enthusiasm and creativeness for the development of local industry.

Leading workers came to acquire knowledge about industrial management, and the technical standard and skill of working people are being enhanced sharply.

The nation-wide influx into local industry of the labour of tens of thousands of the dependent family members of workers and office workers brought about the rapid swelling of the ranks of the working class. This made it possible to firmly arm them in socialist consciousness and improve further their material and cultural standards. Responding to the call of the Party, large numbers of women heroically took jobs at the local factories in the interests of the state and society and for their own happiness. They have now become excellent workers in socialist construction.

The rapid development of local industry, which gave great impetus to the development of the rural economy, is also of significance in strengthening the economic relations between industry and agriculture, between town and country, and in consolidating the alliance between the working class and peasantry. This will greatly conduce to the gradual abolition of distinction between town and country.

All this proves the great vitality of the economic policy of our Party on ensuring simultaneous development of large factories and medium- and small-scale factories, of national industry and local industry, and on combining modern technique with handicraft technique for the production of articles of popular consumption, and demonstrates the enhanced revolutionary enthusiasm and the inexhaustible creativeness and talent of the working people who rose up to create a new life under the guidance of the Party.

Had we not extensively developed our medium- and small-scale local industry solely relying on the large-scale national industry, it is beyond doubt that we could not have mobilized such vast reserves and brought about innovation in the food processing industry and the production of daily necessities.

Having grasped in time the urgent demands of the people, our Party firmly took up the medium- and small-scale local industry as the key for the solution and mobilized the forces of the broad masses for its development and brought in a matter of several months and with almost no state investment such rapid increase in the production of consumer goods, which would have taken several years and required several billion won of state investment had we solely depended on the large-scale industry.

The personnel in the localities and broad working masses, though they had no experience in the building of factories, fulfilled with credit the militant tasks set by the Party by surmounting all obstacles and actively finding out all available reserves and potentialities and creating what they failed to find in line with the Party's call, "Think boldly and act boldly!"

We will carry through the policy of our Party on ensuring simultaneous development of national industry and local industry, of large factories and medium- and small-scale factories for the production of articles of popular consumption.

Our local industry has a broad vista for development. Only by ensuring development of local industry along with national industry, can we enhance the creativeness and

local independence and accelerate economic and cultural development in the localities under the unified leadership of the central organs.

The medium- and small-scale local industrial factories will play quite an important role in the production of popular consumption goods not only in the present stage of socialist construction of our country but also in the future.

As Comrade Kim Il Sung said, it is necessary on principle to simultaneously develop large factories and small-scale factories for the production of articles of popular consumption. The articles of popular consumption, produced by processing diverse raw materials scattered throughout the country, should meet the diverse and constantly changing demands of the working people in all parts of the country.

It is obvious that, with large factories alone, we cannot organize such production and consumption in a rational and economical way. Only by building medium- and small-scale factories throughout the country along with large factories, can we bring the production of consumer goods closer to the sources of raw material and consumption districts, widely mobilize the local raw materials, utilize machines and equipment, materials and labour in a rational way, thereby fully meeting the diverse demands of the working people.

The successes attained by our people in the course of implementing the decision of the June Plenum of the Party Central Committee have created material foundation for the new upsurge in the production of articles of popular consumption and opened up a bright vista for the development of the medium- and small-scale local industry.



## 2. SOCIALIST TRANSFORMATION OF PRIVATE TRADE AND INDUSTRY AND CREATION OF LOCAL INDUSTRY OF CO-OPERATIVE ORGANIZATIONS

Comrades,

In our country, the creation of local industry is directly associated with the building of state-owned local factories and the emergence and development of the co-operative industry.

Today, the production scale of our producers' co-operatives is nearly as big as that of the state-owned local industry in output value, and the producers' co-operatives render active service in building socialism and improving the people's living.

In our country, the co-operative industry was built through the socialist transformation of private trade and industry.

After liberation, following the accomplishment of the task of the democratic revolution in the northern part of the Republic, we were confronted with the task of gradually going from capitalism to socialism—the task in the transition period.

Socialist transformation of private trade and industry constitutes an important component of the socialist revolution.

To draw the scattered private handicraftsmen into the socialist collective economy and, moreover, to transform the capitalist trade and industry along socialist lines is one of the most complicated and difficult tasks of the revolution.

Private handicraft and capitalist trade and industry

are two distinctly different forms of economy and, accordingly, the Party had to adopt different policies towards these two different forms of economy.

And, at the same time, private handicraft and capitalist trade and industry are closely linked with each other. This was all the more so in the concrete situation of our country.

Proceeding from this, our Party, while adopting different measures towards private handicraft and capitalist trade and industry, carried out the socialist transformation of the two different forms of economy co-ordinately by closely linking them with each other.

In our country, socialist transformation of private handicraft started in the prewar days.

After liberation, the private handicraftsmen, freed from the situation in which they were doomed to constant bankruptcy and collapse under the colonial yoke of the Japanese imperialists, developed their economy and markedly improved their living thanks to guidance and help of the people's power.

But the private handicraft, small scale, scattered, and based on backward technique, inevitably came up against an impasse in its development.

Under the condition in which capitalist enterprises were in existence, private handicraft could not win in the competition with them and was constantly exploited and abused by them.

The position of private handicraftsmen underwent a change under our system, nevertheless it was impossible, so long as they based themselves on small production, to put an end once and for all to the source of exploitation and

poverty and radically improve their life.

Only by leading private handicraftsmen along socialist lines could we give full scope to the development of their productive forces and completely solve the question of their living.

Proceeding from this, as far back as 1947 our Party set forth the line of drawing handicraftsmen into producers' co-operatives, transforming small-scale private economy into the socialist collective economy and reforming handicraftsmen into socialist labourers.

In the early days of the co-operative movement, we had no experience and met with many hardships and difficulties. Particularly, the situation in which individual peasant economy was still dominant in the rural areas and capitalist trade and industry were active in towns could not but impede to some degree the development of the co-operative movement.

Nevertheless, the young producers' co-operatives rapidly developed and grew in strength organizationally and economically thanks to the correct policy and huge financial and material assistance of the Party and Government and owing to the active endeavour of the co-op members; their incomes grew higher than those of private economy in a short space of time; and accordingly they could convincingly show the masses of handicraftsmen the advantages of the co-operative economy.

During the three years from 1947 to 1949, the number of producers' co-operatives rapidly increased from 28 to 567, with the average number of members of a co-operative growing from 10 to about 40.

Socialist transformation of handicraft was carried on

persistently even under difficult conditions of war.

And since the war destroyed large-scale industry and caused deterioration of the people's living, our Party attached great importance to the development of the co-operative industry and exerted a great deal of effort to draw into co-operatives more handicraftsmen and consolidate the existing co-operatives.

After the war, socialist construction proceeded briskly on an extensive scale in our towns and countryside.

The great historic task of agricultural co-operativization was put on the order of the day. Soon the agricultural co-operative movement spread like prairie fire in a brief space of time and entered the stage of mass development.

Handicraft co-operative movement, too, speedily developed keeping pace with the agricultural co-operative movement.

Convinced that the path to co-operativization shown by our Party was correct and that the path led them to a happy life and bright future, handicraftsmen joined producers' co-operatives en masse, and fishermen organized themselves into fishermen's co-operatives. Thus, socialist transformation of handicraft was decisively won during the postwar period of reconstruction, entered the final stage in 1957, and was victoriously completed by the end of August 1958.

After liberation, the position of middle and small enterprisers and middle and small traders also underwent big changes. Freed from the past status subjected to the exploitation and oppression by the Japanese imperialists and comprador capitalists, they, under the guidance of the people's power and together with the entire people, took

part in the carrying out of the democratic revolution, serving for prosperity of the country and the wellbeing of the people.

During the transition period, too, our Party, while continuously maintaining the political alliance with medium and small enterprisers and traders, implemented the line of utilizing and restricting their economy and gradually transforming it by peaceful means along socialist lines.

Under the condition in which the working class is in power and the basic means of production is in the hands of the state, medium and small capitalist trade and industry can play an auxiliary part in promoting the development of the national economy and the wellbeing of the people.

Therefore, our Party permitted private traders and industrialists to carry on legal business activities, and utilized the affirmative aspects of their business.

At the same time, the Party strictly restricted and controlled the negative aspects inherent to capitalist trade and industry so that they would not exert big influence on the national economy and people's living.

In accordance with the Labour Law, the Party and Government protected the rights of the workers employed by private enterprises and restricted capitalist exploitation of them.

The Party and Government restricted the kinds of business of private traders and industrialists and checked the speculative profiteering and all other negative practices of private traders and industrialists by forbidding by law the practice of usury, imposing progressive tax on private enterprises and controlling prices.

Maintaining the policy of utilizing and restricting the capitalist elements, our Party set out to transform gradually private traders and industrialists along socialist lines, as the objective conditions grew matured and their consciousness enhanced.

In the postwar period, socialist transformation of medium and small capitalist trade and industry was presented as a matured demand.

The force of Korean national capital was very weak as a result of the Japanese imperialists' monopoly control over Korea's national economy in the past, and particularly the war wrought severe havoc with the economy of private traders and industrialists.

Consequently, capitalist trade and industry were severely deteriorated and their position was virtually no better than that of the economy of handicraftsmen or small traders.

Thus, middle and small enterprisers and middle and small traders encountered certain obstacles in managing their business on their own and, as the socialist transformation of agriculture and private handicraft was completed in the main, they found it impossible to carry on their production and trading business independent of the state-owned enterprises or other socialist production establishments.

Therefore, only by joining the socialist economic system, could the medium and small capitalist trade and industry better serve the country and the promotion of the public wellbeing, and could the middle and small enterprisers and traders devote themselves all the more actively to socialist construction.

In such concrete situation created in our country, our Party, with a view to opening the way to a new life for the middle and small industrialists and traders, adopted the policy of transforming them, together with handicraftsmen, along socialist lines by means of embracing them in co-operatives.

Enterprisers and traders came to see that, in the light of their position, it is advantageous for them to merge their economy and pool their efforts, and were convinced that only by taking the course of socialism along with the entire people could they lead themselves to a bright future.

Speedy development of the producers' co-operatives formed with handicraftsmen served to further deepen the conviction of the enterprisers and traders in the superiority and advantages of the co-operative economy.

Thus, private enterprisers and traders started actively joining the co-operative economy in support of our Party's policy on socialist transformation.

The Third Congress of our Party, taking into serious account the objective conditions of the socialist revolution and the change in the relations of forces between classes in the northern part of the country, outlined the task of completing the socialist transformation of private trade and industry in towns keeping pace with the final completion of the agricultural co-operativization.

Following the path shown by the Party, our people all rose up in the socialist revolution on all fronts.

In our country, socialist transformation of capitalist trade and industry on an extensive scale started around the close of 1956 and the beginning of 1957 and, along with

the co-operativization of agriculture and handicraft, was completed in August 1958.

This was a great revolutionary change not only in the life of private traders and industrialists but also in the life of the entire people.

An end was put once and for all to the source of the long-standing exploitation and poverty, and undivided sway of the socialist relations of production was established in all fields of the national economy.

Handicraftsmen, who were small property owners until yesterday, have become the masters of the united socialist co-operative economy, while enterprisers and traders who were exploiting the labour of others have been transformed into socialist labourers and are having their share in the glorious creative labour of our times.

Having been transformed along socialist lines, the private traders and industrialists of yesterday are provided with the conditions for serving better the interests of the society.

Producers' co-operatives are provided with the conditions for gradually replacing handicraft production method by advanced technique as the state and society offer them technical guarantee for further stepping up productive forces; they can obtain raw materials by fully lawful means from the state or co-operative economy through a single system of purchase and distribution; their products are all supplied to the people through the network of socialist trade; and accordingly they can fully conform to the law of the development of the socialist economy.

There is no longer speculative and casual production



as in the past, and conditions are created for conducting production on a fully normal basis.

As a result, productive foundation of producers' co-operatives has speedily been consolidated and production has become normal.

As the old practice of unlawful production and sales has been eliminated, the production activity of the middle and small enterprisers and traders embraced in co-operatives is highly appreciated by the society and people.

Furthermore, middle and small enterprisers and traders have rid themselves of such old way of life as exploiting and playing tricks on other people, and are leading an upright life serving the country, society and the people by producing material wealth with their own labour.

All this has brought about changes in the ideology of man. Model socialist builders have begun to appear in succession from among the members of producers' co-operatives.

Agricultural co-operativization and socialist transformation of private trade and industry have led to the total liquidation of exploitation of man by man and the complete victory of the socialist system, with the result that the political and moral unity of the entire people on the basis of the worker-peasant alliance has become firm and unshakable.

Here is a table showing the progress of the socialist transformation of private trade and industry in our country.

**Handicraftsmen, Enterprisers and  
Traders Embraced in Socialist Economy**

*(in percentages)*

	by the end of 1949	1953	1954	1955	1956	1957	1958
Number of handicrafts- men, enterprisers and traders who have been transformed	22.5	33.7	39.5	59.4	62.7	77.2	100
Of which members of producer's and fisher- men's co-ops	11.0	16.7	18.7	36.8	39.8	54.1	76.6
Factory and office work- ers and others	11.5	17.0	20.8	22.6	22.9	23.1	23.4
Number of handicrafts- men, enterprisers and traders who have not yet been transformed	77.5	66.3	60.5	40.6	37.3	22.8	
Total	100	100	100	100	100	100	100

As we see in the above table, in our country transformation of private trade and industry proceeded very smoothly without any particular turns and twists.

This eloquently proves that our Party applied most proficiently and creatively the Marxist-Leninist theory on socialist transformation of private trade and industry to the concrete situation of our country.

Our Party strictly observed the principle of voluntariness in drawing into the co-operative economy handicraftsmen and middle and small enterprisers and traders and, taking into full consideration their economic condition and level of their consciousness, always took concrete measures appropriate for them.

The question of defining the forms of co-operative economy was presented as the most important one as the co-operative movement of handicraftsmen entered the stage of mass development and, especially, middle and small enterprisers and traders started joining co-operatives.

Hence, our Party defined the three forms of producers' co-operatives and gave guidance so that each co-operative, taking into serious account the contribution made by the members and the level of their consciousness, could choose appropriate form in accordance with the will of the masses of the members.

The first form is the producers' co-operative team which is primarily formed with the extremely small handicraftsmen. The second form is the semi-socialist economy under which handicraftsmen and middle and small traders and industrialists, pooling their means of production and funds, manage common economy, and the share is distributed mainly according to the work done but partially ac-

according to the contribution of the means of production and funds which still remains privately owned.

The third form is the fully socialist economy under which the means of production and funds are commonly owned by co-operative members and the share is distributed exclusively according to the work done.

In socializing the means of production and funds which traders and industrialists brought with them to the co-operative, the Party took measures for turning private ownership into the joint ownership by the co-operative organization. In this case, at first the means of production and funds were held as their investment and compensation was made for the investment step by step.

The three forms of the co-operative economy and the method of socializing private ownership enabled private traders and industrialists to understand with ease the co-operative economy and made it possible to lead them smoothly and gradually to the fully socialist form of economy.

Producers' co-operatives of the first form no longer exist in our country, while the second form make up 38 per cent of the total number of producers' co-operatives and the third form 62 per cent.

The Party utilized the production-marketing co-operative, a transitional form, in transforming private trade along socialist lines.

The production-marketing co-operative engaged both in industrial production and marketing, and in this co-operative traders were led gradually to engage themselves in labour. We saw to it that the co-operatives of this form gradually increase the proportion of production in their

undertaking and then reorganize them into producers' co-operatives, thereby transforming traders into labourers engaged in production.

We paid serious attention to consolidating politically and economically the producers' co-operatives which were formed along with socialist transformation of private trade and industry and particularly remoulding gradually the ideology of co-operative members.

The Party and Government have given material and financial assistance to producers' co-operatives, reducing or exempting taxes amounting to 12 million won (new currency) in the postwar period alone, granting a huge sum of loan, and supplying them with some equipment and raw materials at low state prices. And, at the same time, the Party and Government have properly selected and allotted cadres and given constant guidance so that the producers' co-operatives can establish socialist system and order and the traders and industrialists embraced in the co-operatives can remould their old ideology.

State assistance and Party's guidance to the producers' co-operatives have played a tremendous part in further strengthening the co-operative economy and improving the living of the co-operative members.

Today, our producers' co-operatives are further consolidating and expanding their economy with each passing day.

By the end of June 1959, the number of producers' co-operatives had grown to 565 and the membership per co-operative to 133.

This year, the output value of the producers' co-

operatives is expected to increase 22 times that in the prewar year of 1949.

At the end of June 1959, commonly-owned property of a producers' co-operative was on the average 76,500 won (new currency), an increase of 63,700 won over 1954, while the real monthly incomes of the members grew 3 times during the same period.

The more consolidated their co-operatives are and the more abundant their life becomes, the deeper is the trust and love of the handicraftsmen, enterprisers and traders for our Party and the Government of the Republic which have led them along the path of socialism.

The entire producers' co-operative members are all the more firmly united around our Party headed by Comrade Kim Il Sung and they are firmly determined to defend the socialist co-operative system.

Comrades,

Socialist transformation of private trade and industry not only served as an important factor for establishing the socialist economic system in our country but also resulted in creating medium- and small-scale co-operative industry producing goods for popular consumption.

The province-run factories built in all parts of the country after liberation in conformity to the actual demands arising in the development of the national economy, the city- and county-run factories which appeared in the course of carrying out the decisions of the June 1958 Plenum of the Party Central Committee, and the factories of co-operatives built through the socialist transformation of private trade and industry—these make up the socialist local industry which plays an important part in the devel-

opment of our economy today.

Our Party and people are confronted with the militant task of further accelerating socialist construction in our country by establishing a system of powerful local industry on the basis of these factories and enlisting the inexhaustible reserves and potentialities latent in them.

Through their practical experiences, the entire factory and office workers of local industry and the co-operative members who have won victory on the path of revolution shown by the Party, having overcome all the difficulties and ordeals, have come to see the correctness and indestructible vitality of the Party's policy and are convinced that they can successfully carry out any difficult and complicated tasks when they bring into full play their enthusiasm and creative initiative in support of the Party's will.

There is not the slightest doubt that our people who are united as one with the heroic working class as the core under the banner of socialism will attain fresh, brilliant achievements also in the struggle for further developing local industry as they have scored great victory under the leadership of our Party in the movement for creating the socialist local industry.

### **3. FOR FURTHER DEVELOPMENT OF LOCAL INDUSTRY**

Comrades,

We have scored enormous achievements in the struggle for establishing and developing the local industry. Enormous though they are, the already achieved results are no more than the foundation for the further development of our local industry. The question lies in satisfactorily meeting the rapidly growing demand of the people

by further developing the local industry on the basis of these achievements, thereby accelerating the country's socialist industrialization.

For the further development of local industry the recent enlarged meeting of the Presidium of the C.C. of the Workers' Party of Korea adopted on the initiative of Comrade Kim Il Sung decisions on reorganizing industrial management system and establishing the system of local industry along with national industry in our country.

In accordance with these decisions, ministries and bureaus under the Cabinet were merged to simplify drastically the apparatus of the central government. And many competent managerial cadres and technical personnel were sent to local districts. At the same time some factories and plants under the ministries which are of a local nature were put under the control of local governments, and the jurisdiction of the local government organs was further expanded. At the same time, for reinforcing the self-reliant foundation of local industry, the Party put forward the tasks of expanding province-run comprehensive machine-building factories, of building gradually new medium-scale iron works and cement factories in local districts and of establishing fuel bases for local use.

Our Party will pursue the economic policy of putting continuously large-scale heavy industry and light industry which is significant from the standpoint of the national economy under the direct control of the ministries and developing local industry along with the national industry by establishing a well-organized system of local industry with medium- and small-scale factories.



It is the basic line of local industrial production to lay stress on the production of popular consumer goods and at the same time develop the production of various farm implements and building materials.

We must meet the people's demand for foodstuffs by processing in a diverse way the ever growing agricultural produce and marine products as well as various kinds of wild plants and fruits, and eliminate within the shortest possible space of time the backwardness of our food-processing industry.

In the next 4 or 5 years our local industry should raise its annual output of fabrics to the level of 100-150 million metres mainly with hemp fibre and fibre from wild plants as well.

The local industry should meet the local demand for paper by raising the annual capacity of producing paper to 40,000 tons within the next one or two years and to 60,000 tons within the next two or three years. The ceramics industry should be developed on a wider scale and the output of furniture, embroideries, handicraft works, stationery and other articles of daily use be increased.

Our local industry should produce in large quantities various kinds of animal-drawn farm implements, ox-carts and trailers by rapidly reinforcing the material and technical foundation of the farm implements factories in every city and county, and help accelerate the mechanization of agriculture. In order to satisfy the local demand for building materials, the output of cement, stone, bricks, and tiles in local districts should be increased.

Today our local industry is confronted with an enor-

amous task. But, all the necessary conditions for the further development of local industry have already been created and are getting matured. All the workers in the state-owned local factories and producers' co-op members, upholding our Party policy of developing the local industry, should successfully carry out the historic tasks assigned to them by displaying all their creative zeal and positiveness.

Comrades,

Comrade Kim Il Sung has recently set forth the most fundamental and important tasks for the further development of local industry.

They are, firstly, to create stable raw material bases, secondly, to improve the technical equipment and raise the technical level, thirdly, to increase the varieties of products and raise their quality, and fourthly to improve the work of managing the local industry.

At the current Congress we must centre discussion on the question of how to carry out these tasks set by Comrade Kim Il Sung, and take relevant measures.

It is most important for the development of local industry to create stable raw material bases in local districts. We must solve this problem in the shortest period of time so as to ensure the normal management of local industry by relying firmly upon the sources of raw materials in local districts.

We must make more efforts to tap as much natural resources latent in local districts as possible and use them effectively as industrial raw materials. With the seas surrounding our country on three sides and the favourable conditions of topography and climate, our seas, mountains

and plains abound in natural raw material resources. Our abundant nature presents a vast raw material base for the local industry. There are 3,600 known species of plants and over 870 species of vertebrata in Korea. Of these species of plants and animals more than 2,000 species are of industrial value. Among them are edible, wild herbs and oil-bearing plants numbering over 300 species. And it is estimated that there are over 60 species of plants from which we can get perfumery but have not yet introduced in production.

We must continue the work of exploring all resources of raw materials in local districts, which constitutes a part of scientific research. At the same time, we must protect and develop in time the rich natural resources so that we can utilize them fully.

On the other hand, we must exert ourselves for creating and expanding artificial raw material bases. With the natural raw material resources alone, it is impossible for the local industry to turn out in a planned manner various kinds of products, and to manage local factories on local initiative.

Without its own reliable raw material base, no industry can develop. In every local district positive efforts must be made to create raw material bases with foresight in accordance with long-range plans and for developing the local industry. The area under industrial crops should be expanded in conformity with the topographical conditions by making use of arable land rationally. Besides farm land, the land at the foot of mountains, embankments, areas on both sides of railways and roads, coastal areas

and other usable space must be used effectively for the cultivation of industrial crops.

Recently the Government has decided to let each city and county have 100-200 jungbo of land at their disposal for creating raw material base. This step provides every local district with more favourable conditions for cultivating industrial crops on their own initiative so as to establish the raw material bases of local industry. The crops harvested from the land allotted for the cultivation of crops to be used for local industry will be used solely as industrial raw materials in the local districts. So it will be systematized in the future.

Above all, we must pay close attention to the expansion of the base of raw materials for fibre. Our Party set forth the task of raising within the next 5 or 6 years the annual output of fabrics to over 500 million metres. In order to get necessary raw materials, we must increase rapidly the production of artificial and synthetic fibre, and at the same time produce more natural fibre.

Our country has only a little area suitable to the cultivation of cotton. And the area under cotton cultivated by the humus-pot transplanting method is also limited. This is why we cannot rely solely upon cotton for natural fibre materials.

In olden times, long before the introduction of cotton into the country, our forefathers solved the question of clothing with hemp cloth which they wove skilfully. This shows that the land of our country is good for the cultivation of hemp, flax and other plants of this family, and that because of the climatic conditions, hemp clothes are worn

widely throughout the country. Flax is a good raw material for fibre, which is called the cotton of the northern region. Hence the entire working people in every part of the country must exert themselves to increase the production of hemp fibre and weave various kinds of cloth with it for making positive contribution to solving the question of clothing. In order to raise the annual output of hemp fibre to 30,000 tons and that of the fibre from wild plants to over 4,000 tons within the next 2 or 3 years, we must wage a vigorous struggle for expanding the area under flax, hemp, jute, Indian mallow, etc., and for tapping the sources of wild plants for producing fibre.

In the future local industry should also produce on a small scale the chemical fibre from wood cellulose so as to help meet the growing demand for fibre.

In order to solve the question of raw materials for producing artificial fibre and paper, forests of economic value should be created on a wide scale by planting in mountainous areas, damp grounds in plains, coastal areas and riversides poplars, birches, *Populus maximowiczii* and other trees which grow fast. For getting raw materials for producing vegetable oil, it is very important to carry out afforestation by planting walnut trees, *Juglans mandshurica*, nut-pine, paulownia, and other trees. This is of great significance for increasing the sources of raw materials for fibre and oil. Moreover, to plant such trees means to do forest and water conservancy work. At the same time these trees will make the country more beautiful.

Agricultural co-operatives must produce more abundantly the raw materials for manufacturing edible oil and

the material for side-dishes as well by expanding the area under the oil-bearing plants, including rape, and the area under vegetables. At the same time they must cultivate more sugar beet, creating stable bases of raw materials for the sugar refining industry.

The bases of raw materials for the food processing industry must be further consolidated by further developing the breeding of rabbits, chickens, ducks, etc.

As far as circumstances permit, the production of sienna, lacquer, paint and pigment, and dye-stuffs as well must be organized positively in local districts to help replenish the need for raw materials in the chemical industry.

Various kinds of waste products at the factories under the ministries and idle materials in urban and rural districts constitute an important source of raw materials for local industry. All the large-scale state-owned factories must help the local industry by sending without delay the used and waste materials, which though usable are being wasted, to local districts. Procurement organs must be active in buying various kinds of old articles and hand them over promptly to the local industry.

It is a work of enormous scale to tap the sources of raw materials in local districts and create stable raw material bases, and the work will be carried out successfully only by mobilizing the entire people. We must create stable bases of raw materials for the local industry in the shortest possible time by mobilizing the entire population. The broad popular masses of agricultural co-operatives, schools, scientific research institutions and neighbourhood units of every ri or dong should be mobilized in tapping, protecting

and developing the sources of raw materials and in collecting raw materials.

Comrades,

It has become an important question for the further development of local industry to improve the technical equipment of local industry.

In the early days of the building up of local industry in our country, the principle was that every means and possibility, be it out-moded technique or handicraft method, had to be used to increase production.

In view of the characteristics of our local Industry and the actual conditions created in the course of developing the country's economy, this line of policy was quite right.

However, we can by no means rely indefinitely on such a primitive production technique for developing local industry. If we cling only to the primitive production method, we will be unable not only to increase the production of popular consumer goods but also to raise their quality markedly to meet the rapidly growing demand of the working people, because productivity cannot be raised by the primitive method. Nor is it possible to reduce the production cost by the primitive method. It is a high time for local industry to improve its technical equipment by eliminating the backward, primitive production method and rearranging the existing enterprises.

Our country has a powerful base of heavy industry, especially its own machine-building industry, which is able to ensure the technical transformation of all branches of the national economy including local industry. In addition to this, our local industry has the precious experience of

having made numbers of machines on its own through the movement for multiplying machine tools. And it has great numbers of working people, talented technicians and skilled workers who are making new labour exploits every day along the line indicated by the Party. Moreover, we have become able to build factory buildings with arched ceilings, by making use of the building materials which can be obtained abundantly in local districts, without using structural steel and lumber.

For the betterment of technical conditions of the local industry, it is most important to widely promote mechanization in the state-owned local factories and producers' co-operatives. For the mechanization of the processes of work, it is most urgent to introduce machines and power in processes which have been relying solely upon manpower, and start mechanization in branches which are engaged in mass production as well as the branches where the work requires much man-power, then decisively industrialize the production of foodstuffs.

Unlike other industrial branches, the local industry ranges from the production of foodstuffs and daily necessities to the production of machines, turning out thousands of varieties of products. Taking this fact into consideration, close attention must be paid even to every process of production so that every process can be mechanized. On the basis of concrete study of every working process in production, mechanization must be introduced in a planned manner beginning with the sections where mechanization is called for urgently. Small-scale mechanization which can be easily done without additional investment should be



introduced widely and the principle of gradually mechanizing from simple work to complex work be observed.

For ensuring this, designing of machines required for producing footstuffs and articles of daily use must be encouraged, and a movement for inventing various kinds of medium- and small-size machines suitable for local industry should be unfolded on a wide scale.

Mechanization of local industry should not be taken to mean unconditional rejection of the traditional, handicraft technique or indigenous production methods. Though mechanization is the order of the day, we must explore and utilize every indigenous production method hidden among the people to add production in the branches where mechanization has not been introduced yet. The important thing is to accelerate gradually but decisively mechanization, while effectively utilizing handicraft technique.

To ensure the mechanization of local industry, the provincially-run comprehensive machine-building factories are entrusted with an important mission. We must further expand and consolidate the comprehensive machine-building factories and bring about marked increase in the production of spinning equipment, weaving machines, knitting machines, paper-making machines small-size rolling machines, various presses, various cutting machines, crushers, centrifugal driers, clay-mixers, wood-working machines, wheeled vehicles, blowers and other medium- and small-size machines and equipment, and various accessories. For the purpose of accelerating the industrialization of food production, we must organize the production of food-processing machines and pneumatic compressors for re-

frigeration.

The mechanization of local industry requires a great deal of power equipment. We must expand in each province repair shops for electric machines and develop them into factories specializing in the production of electric motors, power equipment and electric accessories.

Along with this, to ensure in time repair work of machines in the city- and county-run enterprises, we must build and run in the city- and county-run farming implement factories comprehensive engineering and repair shops which are mainly engaged in repairing of machines and the production of small tools for local industrial factories in each county.

Technical assistance given by large factories under the ministries to the local industrial factories is of significance for the mechanization of local industry. All of the large factories under the ministries should unfold a genuinely socialist co-operation movement to re-equip technically more than one of the province-, city- or county-run factories and producers' co-operatives in the course of one year. In this way, we will be able to turn all of our present 2,000-odd local factories into mechanized medium- and small-scale factories within the next few years, without requiring much wherewithal.

Parallel with the mechanization, it is important to raise the technical level of the workers in the field of local industry and develop their ability. Without raising the technical level and ability of working people in the local industry as a whole, it is impossible to ensure the mechanization of local industry and the self-supporting

economic development in the localities.

We must vigorously push ahead with the training of technical and skilled workers with the aim of allocating in the near future one engineer to each province-, city- and county-run factory and producers' co-operative and one technician to each workshop, and of raising the technical level of the entire workers by two grades on an average within the next 2-3 years.

The state will continuously train en masse and allocate technical personnel to local industry and take steps to strengthen the technical education in this field.

But school education alone is insufficient to meet the growing demands for technical personnel. The entire working people in the field of local industry must strive to raise their technical level and skill through their enhanced zeal to learn while working.

For the reinforcement of technical equipment of local industry, it is necessary to rearrange the existing factories and continuously push ahead with new construction projects. So long as cramped, unsanitary and old factories are allowed to exist, it is impossible to introduce mechanization and develop production. We have already built factories covering one million square metres in a matter of one year since the June Plenum and at present construction projects covering 900,000 square metres are in progress.

By extensively introducing buildings with arch-shaped ceilings by widely mobilizing local reserves of building materials found everywhere, we must build within the next 1-2 years the province-, city- and county-run factories and the producers' co-operatives in an orderly way and on

modern lines.

This is indeed a vast project. Therefore, we must continuously develop the construction of factory buildings as a nation-wide movement as we did in the past. The entire functionaries in all the organs and enterprises in towns and county, and the entire people, deeply cognizant of the fact that the development of local industry enriches their own life, must rise up as one to build factories. In doing so, we can consolidate as firm as rock our local industry bases within a few years, and bring about a new, tremendous upsurge in the development of our economy.

Comrades,

As the material and cultural standards of the people rise, their tastes and demands for daily necessities become more diversified, and are constantly changing.

Rough estimate shows that, to satisfy the primary demands of the working people arising in their life, we need some 20,000-odd articles of diverse standardization and varieties. But we fall far short as regards the variety of products. This can be explained by the fact that, although our industry has registered amazingly rapid development, our light industry had been in an extremely backward state and, to make it still worse, it suffered merciless destruction in the war.

In order to completely eliminate such backwardness in the shortest possible time and produce and supply on our own all the processed foodstuffs and daily necessities demanded by the people, we must decisively expand the variety of local industrial products. Along with this, we must continue our stubborn struggle for improving the

quality of all daily necessities in response to the decision of the February Plenum of the C.C. of the Workers' Party of Korea.

Comrade Kim Il Sung said that under our system the quality of products are defined by the socialist content and that the improvement of the quality means in the final analysis producing handy, attractive and durable articles for the people.

Entire workers in the field of local industry, always guided by the cordial teachings of Comrade Kim Il Sung, should devote all their talent and energy to improving in the near future the quality of all products to world level by producing more tasty, more nourishing and more tempting foodstuffs and cheaper, handier and more attractive daily necessities.

We must direct great concern to expanding the variety of processed foodstuffs and improving their quality. It is important before anything else to produce and supply uninterruptedly the urban population with diverse side-dishes of better quality. Under the condition in which most women in towns and the workers' settlements are coming out to take jobs, it is one of the pressing questions to supply them with processed vegetables in a planned way.

We must meet the demands of the working people in towns and the workers' settlements for pickled vegetables by decisively industrializing the production of them.

Also we must develop the processing of vegetables, cultivated and wild, and supply them as fresh as possible the year round.

Our fish catch today is by no means small in quantity.

But, failing to process them properly, we cannot eat as much as we catch. Besides vegetables, we must broadly develop the processing of fish so as to have good fish in any place the year round. We must take effective measure to ensure the supply of fresh and frozen fish and, at the same time, sharply increase the production of seasoned entrails, pickled molluscs and flavoring foodstuffs by further developing the integrated processing of marine products in the field of local industry.

Keeping pace with the epoch-making development of animal husbandry, our local industry must positively develop the processing of ducks, chickens, eggs, milk, etc. Besides, it must markedly increase the supply of edible oil to the population by increasing the volume of production, and fully satisfy the demands for soy and bean paste in each city and country.

We are in great need of soft drinks as well as tasty side-dishes. In close co-operation with the agricultural co-operatives, our local industry should expand on a large scale the production of soft drinks by utilizing mineral water and various wild fruits such as bilberry, wild grapes, Dare (*Actinidia auguta* planch), wild berries which grow in abundance in our country, and each province should organize the production of beer, cider and soda waters. In this way, we must meet fully the demands of the population for soft drinks within the next 2-3 years in towns and within the next 3-4 years in the countryside.

Sugar is a most weak link in our food industry. For the purpose of increasing the output of sugar to 100,000 tons within the next few years, the workers in the field of local

industry should build small-scale sugar refineries relying on the existing raw materials supply, and expand the work of processing sugar beet on the spot.

We must further develop the production of confectioneries with the increased production of sugar, and direct particularly serious attention to the production of nourishing food for promoting the health of children.

For decisively improving the quality of products in our food industry we must complete the refrigerating and heating systems and ensure the production and supply of packing containers. We must see to it that all food factories and provisions stores are provided with refrigerators and heating equipment in the near future and more than one factory producing glass containers be built in each province within the next year to solve the question of glass containers in the local districts.

Along with food products, we must increase the variety and decisively improve the quality of daily necessities.

Fabrics occupy first place in the production of daily necessities. Our local industry should increase the production of cloth for overalls and packing cloth from various natural fibres and start mass production of cloth for popular consumption by utilizing flax and hemp fibres. For the purpose of ensuring mass production of flax fabrics in the future, we must build small-scale flax mills in the districts where flax and hemp are extensively grown, and weave hemp fibres by widely utilizing various indigenous methods for the time being.

To carry out successfully the tasks of the cultural re-

volution, we must not only solve the question of clothing but also produce paper in large quantities. In the past when the foundation of local industry was weak, we had to rely mainly on the national industry to satisfy the demands for paper. However, if we are going to solely rely on the large paper-making factories, we cannot satisfy the sharply increasing demands for paper.

We must build a paper-making factory in each city or county with a view to increasing the production of various kinds of paper such as writing pads, floor paper, wall-paper, wrapping paper, cardboard and toilet paper, and, parallel with the development of paper-making technique, push ahead with the production of printing paper including news-print.

Experience shows that, when we make paper by depending solely on the large paper-making factories we will be faced with a limited supply of pulp wood due to geographical conditions, but when we make paper in every nook and corner of the country we can secure enough raw materials from small trees found everywhere. And we can easily solve the question of production equipment by using semi-wooden paper-making machines. We must build in each city and county a paper-making factory with a daily capacity of more than one ton on an average by next year at the latest and gradually increase its capacity to more than three tons, according to the supply of raw materials.

Our country has inexhaustible resources of good-quality clay for producing ceramics and enjoys an excellent tradition in manufacturing ceramics. On this basis, if our local industry properly organizes the production of porcelain, it



can produce in quantities not only tableware but also high-quality building materials, thereby acquiring a huge sum of foreign currency. We must further raise the capacity of porcelain factories under the ministries of light and machine-building industries and, at the same time, extensively develop the production of tableware, industrial products and items for construction use such as ceramic pipe, radiator and toilet and lavatory porcelain by continuously expanding and reinforcing our porcelain factories.

With the daily improvement of the life of our people and the increase in the number of working people moving into new flats, the requirements for various kinds of furniture grow rapidly. We must immediately consolidate the existing furniture factories in each province, materially and technically, and produce large quantities of low-price and durable furniture, enough to furnish each home on modern lines. Also we must increase the production of embroideries and inlaid mother-of-pearl lackerware, which has a long tradition in our country and, at the same time, produce various handicraft goods with the raw materials found in the localities, such as shell fish scale, stone and cyperus exaltatus to meet the demands of the working people for handicraft goods.

In addition, we must broadly expand the production of stationery, note-books, fountain pens, sharp pencils, pencils and school bags, and actively increase the production of articles of mass cultural use including musical instruments and amusement goods.

We must expand the production of washing machines, household goods and articles for travel, and pay close at-

tention to ensuring the planned production of cosmetics, buttons, combs, needles and other miscellaneous articles of daily use. Also production of sporting apparatuses and toys should be further stepped up.

As to articles of daily use, it is important to develop the production of wicker and grass goods. In co-operation with the agricultural co-operatives, the local industrial factories should extensively organize the production of various wicker goods such as baskets, wicker trunks and wicker chairs by utilizing bush clover and willow branches and produce on a mass scale straw hats, handbags and grass mats with cyperus exaltatus, cat-o'-nine-tails and various other grasses.

To expand the variety of products and to improve their quality are very pressing tasks reciprocally related with each other in introducing innovation into production in local industry. We must strive to produce more and cheaper, higher-quality and greater variety of daily necessities, by surmounting in time negative phenomena as turning out goods at random on the pretext of expanding variety or decreasing the variety on the pretext of improving quality.

Along with the production of articles of mass consumption, it is one of the most important tasks facing local industry to expand the production of farming implements and construction materials and improve their quality. In our countryside where irrigation has been completed in the main, both increased production of grain and industrial crops and the development of animal husbandry are dependent on the mechanization of the rural economy.

Our local industry, as a link of reinforcing the state-owned national industry which produces and supplies modern, large-size farming machines to the countryside, must accelerate mechanization in the countryside by producing large quantities of sewing machines, transplanters, weeders, harvesters, water-lifting tools, hay-cutters and other animal-drawn farming implements, as well as ox-carts and trailers and, at the same time, sharply increase the production of small-size farming implements to satisfy the requirements for them.

For the purpose of accelerating economic and cultural construction in the countryside, we must increase the production of cement and lime by rearranging and consolidating the existing cement and lime factories and, at the same time, expand the production of various building materials with high-quality stone.

In this way, our local industry must fully satisfy the requirements of the local inhabitants for foodstuffs and daily necessities and, at the same time, fulfil with credit its mission of rendering material and technical assistance for the development of the rural economy.

Comrades,

With the establishment of the system of local industry, the jurisdiction of the local authorities over industrial management has been further expanded and objective conditions have been fully created for the development of local industry.

The thing left to be done is to correctly administer and manage our local industry by turning all the conditions and possibilities into full account.

The most important thing in the management of the local industrial factories is to raise the level of planning, strengthen the cost-accounting system and enhance the role of the local people's committees. The province-, city- and county-run factories, which are socialist industrial enterprises, and producers' co-operatives, cannot work for a moment nor advance a step without planning. With the establishment of the local industrial system, the planning in the local industry came to assume tremendous significance.

We must thoroughly wipe out all the undisciplined phenomena in the field of local industry, work out correct plans in all work and ensure the balanced development of local industry. For this purpose, the entire local industrial factories must work out feasible plans based on scientific analysis by taking into full account not only production but also supply of materials, marketing and other economic activities, and wage a struggle to fulfil daily target on indices within the day by further strengthening planning discipline.

Also each factory must see to it that it develops in a prospective way with a far-reaching plan for its capital construction, mechanization, expansion of variety and improvement of the quality of products, reduction of production cost, and, as Comrade Kim Il Sung said time and again, by grasping the main link in each work and concentrating upon it all its strength, should help local industry develop soundly step by step.

It is of great importance to strengthen the cost-accounting system in the local industrial enterprises, on the

basis of constantly improving the planned guidance to all the managerial activities.

The cardinal point in this respect is to systematically reduce production cost and raise the profitability of the enterprises. Otherwise we are not only unable to ensure the present production successfully, but also unable to follow the principle of local industrial factories expanding their production out of their own profits.

Today our local industry is favoured with a huge amount of reserves for the reduction of production cost. Each of the local industrial factories must reduce production cost in every way by raising labour productivity, markedly cutting the per unit consumption of raw materials and curtailing non-productive expenditure.

This is the only way for each local industrial enterprise to increase its income and, on this basis, to accumulate independently its fund to expand its production and reinforce its technical equipment.

Only by reducing production cost can we provide the working people with various articles at lower prices.

To employ women labour more extensively in local industry is of great significance not only for the administration and management of the factories, but also for solving the question of labour from the viewpoint of the national economy.

Entire local industrial factories must raise further the proportion of women labour by continuously enlisting the labour of dependent family members, and the factories which require light labour must strive to manage entirely with women labour.

Under the conditions in which women labour occupies an absolute majority, we must work out thorough measures for labour protection, and see to it that nurseries, kindergartens and laundries are run in good order so as to lighten the household chores of women folk and help them bring up and protect their children properly.

Also for the women workers we must widely introduce the shift system of 4-6 hours along with 8-hour working day, and ensure them enough time for their house work and children's education by avoiding to the maximum all miscellaneous meetings.

Establishment of correct wage system is one of the important questions in improving the management of enterprises. All state-owned local factories and producers' co-operatives should completely wipe out wage levelling by establishing correct wage system and carrying through the socialist principle of distribution, and correctly combine material incentives for the working people with their self-conscious zeal in production.

We must pay continuously serious attention to guidance of producers' co-operatives. Though co-operativization of private trade and industry was completed, still there remains an important task of further consolidating the co-operatives politically and economically, and transforming the ideology of co-op members along socialist lines.

We must consolidate the material foundation of the co-operatives and remould the co-op members into genuine socialist working people by further consolidating the successes attained in the co-operativization of private trade and industry and accelerating the technical reorganization

of the co-operatives and the ideological remoulding of co-op members.

It is of significance in this connection to cultivate in every way democracy within the co-operatives and help each of the co-op members, as the master of the common enterprise, to actively participate in all work and display all his creative initiative.

For the purpose of improving the management of local industry, it is the most urgent prerequisite to radically strengthen the role of local people's committees.

Today the master who directly administers and runs the state-owned local industry and leads the co-operatives is the local people's committee.

Along with the development of the rural economy, the further development of local industry and the improvement of the material and cultural standards of the local inhabitants depend decisively on the organizational and guidance work of local people's committees in the economic affairs.

The people's committees of all levels must thoroughly eliminate formalistic and bureaucratic methods in their guidance of the local industrial enterprises and, going deep among the workers of factories and co-operatives, render concrete and real guidance. Particularly by rendering intensive guidance and assistance to the city- and county-run factories which is low in the managerial level and weak in the material and technical foundation, we must raise them in the shortest time to the level of advanced enterprises.

In connection with the establishment of the system of local industry, the further strengthening of the local

planning organs and establishment of the system of local planning are presented as important questions.

For the development of local industry the people's committees of all levels should take comprehensive and prospective measures for strengthening the equipment of local industrial factories, creation of raw material bases in local areas, expanding varieties of products and improving their quality, and so on.

The urgent problem in the management of local industry is to raise the political and business level of the managerial personnel.

In the past period, we placed many managerial cadres in the city and county-run factories and producers' co-operatives. It was by the timely measure recently taken by our Party that large numbers of cadres have been sent to local areas from central organs.

However, the political and business level of the cadres running local industry are still low as regards their ability to implement the given tasks. Today, not only the managerial workers of factories but also functionaries of the people's committees are unable to guide and manage the local industry without possessing knowledge of industry.

The leading personnel of the people's committees of all levels and the entire managerial workers engaged in local industry should conduct the political work before all other work so as to mobilize the revolutionary enthusiasm of the masses. Moreover, they should be capable of combining skilfully the political work with the correct scientific leadership in the technical process of production and the economy and finance of enterprises.



To this end, the entire leading personnel engaged in local industry should make a continuous, deep study of politics and business, go deep among workers and learn open-heartedly from them.

Especially, the managerial workers of factories and co-operatives are compulsorily required to take part in production more than two days in a week at least so as to study hard technique and skill. They should be versed in the internal affairs of factories by maintaining close contacts with workers.

Comrades,

To develop on a large scale local industry in parallel with the national industry is one of the most important tasks that our Party must implement at the present stage of the socialist upbuilding.

Therefore, the whole Party should always direct great concern to the development of local industry so as to bring about a new upsurge in the development of local industry of our country, by strengthening the guidance of the Party organizations of all levels to this branch.

The Party organizations of all levels should give positive help to the personnel already transferred from central organs to local industry, select boldly the excellent managerial workers and technicians and place them in the branch of local industry and carry on actively the training and re-educating work of personnel, thus steadily enlarging and strengthening the nucleus positions of local industry.

Along with this, the Party organizations of all levels must see to it that the people's committees and their lead-

ing personnel continue to pay attention to local industry and should give guidance so that they may enhance their independent role in establishing raw material bases, building local industry and managing it along the line laid down by our Party.

The Party organizations in the branch of local industry should pay special attention to the work of the organizations of trade unions, democratic youth league and women's union and strengthen guidance to them so that the mass organizations may be mobilized actively for the successful implementation of tasks assigned to local industry.

An important task of the mass organizations is to make the working people engaged in this field devote themselves heart and soul to their work with great pride and a sense of honour, by correctly bringing home to them the duty and role of local industry in the socialist up-building.

The important part in the field of local industry is played by the diligent and gifted women of our country. In the future the proportion of women in this branch will be increased and the development of local industry depends largely upon their role.

Especially the Party organizations should give guidance so that women workers may display enthusiasm and creative activeness for the development of local industry, by giving correct guidance to the work of the organizations of women's union and rapidly raising their ideological and political level and technical and cultural standard.

To strengthen the communist education among the working people engaged in the branch of local industry is

the most important task at present.

The socialist relations of production have already won victory in our towns and countryside.

However, constant education and self-culture are required in order to completely do away with the vestiges of outmoded ideologies which still remain in the minds of the people. In particular, though the individual traders and industrialists in the past are now engaged in the socialist economy, their old ideologies cannot be wiped out overnight. And it is not easy for large numbers of housewives who have newly gone into the branch of local industry to arm themselves with the spirit of collectivism in a short space of time. The remnants of outmoded ideologies which still remain in the minds of the working people engaged in the field of local industry are throwing big obstacles in the way of innovation of work in this field.

Therefore, for promoting the development of local industry it is urgent to educate the working people engaged in local industry in the spirit of communism along with its technical reconstruction.

Individualism and egoism are an expression of the old capitalist ideology which is a most serious obstacle to the development of local industry. We must educate the entire working people in the branch of local industry in such noble spirit of collectivism as taking good care of state and common properties, subordinating private interests to public interests and that one works for all and all for one. Along with this, we should steadily strive to nip in the bud all the negative tendencies such as narrow departmentalism and nepotism in factories and co-operatives and to

strengthen the principled solidarity and comradely assistance of the entire working people in the branch of local industry.

By thoroughly bringing home to the working people the idea that labour is a matter of honour and the sacred duty of all people in our society, we must see to it that they faithfully participate in joint labour and voluntarily observe labour discipline for the prosperity of their fatherland, for the progress of society and for a well-to-do and happy life.

By constantly explaining and inculcating the policies of our Party and carrying out patiently the educational work of communist ideology among the Party members and working people, the Party organizations in the branch of local industry must educate them as fighters of the Party who live, work and struggle true to the will of the Party and, who do not hesitate to brave any difficulties and ordeals if the Party calls, rallying steel-like around our Party.

Comrades,

Today, in the northern part of the Republic our people are registering great achievements in all fields of politics, economy and culture, such as never before seen in our history.

On the contrary, the economy of South Korea under the U.S. occupation is going headlong toward ruin. The unpopular rule which the U.S. imperialists and Syngman Rhee clique have pursued for 14 years has led to the general decline of the national economy of South Korea, resulting in a complete ruin of the people's life.

Due to oppression and exploitation by the American monopoly and comprador capitalists, some 80 per cent of medium- and small-scale enterprises which make up the absolute majority of factories in South Korea have suspended or reduced operation.

The rural economy has also been completely ruined. South Korea, once a granary of our country, has been turned into a land of chronic famine.

Today, the streets and villages of South Korea are swarming with millions of the unemployed and semi-unemployed, great numbers of foodless peasants and beggar children. The big majority of people are on the verge of starvation.

The U.S. imperialists and Syngman Rhee stooges are selling off our compatriots who are in the direst straits to the foreign capitalists and plantation owners as permanent slaves under the label of "emigrants." Without putting an end to the U.S. occupation of South Korea and the country-selling rule of the Syngman Rhee clique and realizing the peaceful unification of the country, we cannot remove misfortunes and hardships the South Korean people are suffering.

Today the revolutionary spirit of the South Korean people against the U.S. imperialists and Syngman Rheeites is mounting with every passing day.

The great successes attained in the course of socialist upbuilding in the northern part of the Republic stimulate courage and hope in the hearts of the South Korean people.

No force on earth can block the struggle of the Korean people aspiring after the peaceful unification of the

country.

Today the general situation is turning decisively in favour of the accomplishment of the just cause of the Korean people.

The might of the socialist camp headed by the Soviet Union has been strengthened more than ever and the forces of peace and progress of the whole world prevail over the war and reactionary forces. By strengthening the internationalist unity and mutual co-operation with the peoples of the countries of the socialist camp headed by the Soviet Union and strengthening the unity with the peace-loving people the world over, our people will victoriously build socialism in our country and attain the peaceful unification of our country without fail.

The struggle for the further development of local industry is a struggle for the socialist construction in the northern part of the Republic and, at the same time, a struggle for the promotion of the peaceful unification of the country.

Let us march vigorously forward for the further development of local industry, rallying steel-like around the Central Committee of our Party and the Government of our Republic headed by Comrade Kim Il Sung!

## **APPEAL TO ALL WORKERS, TECHNICIANS AND OFFICE EMPLOYEES OF LOCAL INDUSTRY AS WELL AS ALL WORKING PEOPLE**

The National Congress of Activists of Local Industry and Producers' Co-operatives was held in Pyongyang, the democratic capital, from October 12 to 15, 1959.

The Congress summed up the tremendous successes achieved in the implementation of the decision of the June (1958) Plenum of the Central Committee of the Workers' Party of Korea and the brilliant victory won in the socialist transformation of private trade and industry, and held a serious discussion on the tasks of developing further our country's local industry.

The Congress was convened at a historic time when our people had achieved great victory in socialist construction under the leadership of the Workers' Party of Korea.

In our country, which was once backward and, to add to that, was severely destroyed in the war, great changes and upswing are registered today.

All the towns and villages have been turned into socialist ones, and the sources of exploitation and poverty have been eliminated for good.

Our country has become a powerful socialist industrial-agricultural state with a firm foundation of self-supporting national economy.

The working people in our local industry and producers' co-operative have also confidently advanced in the glorious onward march by which our people, having emerged from ashes of bleak and bare ruins, have attained the height of today's victory.

With high pride we speak of the fact that having achieved epochal development, local industry and producers' co-operatives lay claim to an important share in the outstanding successes achieved by our people in building socialism.

Already in the prewar period of peaceful construction, the Workers' Party of Korea and Government of the Republic paid deep attention to the development of local industry and provided for the handicraftsmen and the urban poor the possibility of enjoying a new life by organizing and developing producers' co-operatives.

Even in the hard conditions of war and in the difficult circumstances of the postwar period, our local industry and producers' co-operatives turned out a large amount of products, which went a long way towards stabilizing and improving the livelihood of the people. They have made still faster progress in recent years.

Especially the decision of the June (1958) Plenum of the Central Committee of the Workers' Party of Korea which was based on the initiative of Marshal Kim Il Sung for building more than one factory in each city or county, marked a major turning point in developing local industry and increasing the production of processed foodstuff and daily necessities. In the subsequent 2-3 months as much as over 1,000 factories of local industry were newly built in our



country.

At present there is no city or county, even in the remote mountainous regions of our country, which has no factory; these factories are turning the hidden local resources of raw materials into goods which serve to improve the welfare of the people.

This year the number of factories for the state-owned local industry will be 2.6 times that in 1949, their workers 8 times, their output value 13 times. Compared with 1949, the total output value of the producers' co-operatives was 22 times greater at the end of June this year.

This year, local industry including the producers' co-operatives accounts for 27.5 per cent of the total industrial output value; local industry as a whole accounts for 45.1 per cent of output value of consumer goods.

It is the correct policy of the Workers' Party for operating the medium- and small-size local industry together with large-size national industry in the production of consumer goods, that has enabled the appearance of such a huge mountain of wealth.

Once called by the Party, our working people, united in a body, have brought about such a tremendous change.

Upholding the appeal of the Party, "Be bold in thinking and in action," we have marched forward pulling through all the snags.

As a result of the completion of the socialist transformation of private trade and industry in accordance with the correct policy of the Workers' Party of Korea, an epochal victory has been scored in socialist construction in our country and a major change has taken place in the life

of the former handicraftsmen and individual traders and industrialists.

In the past when we were individual traders and industrialists, how much we worried toiling and moiling, to make ends meet for their hopeless economy with the meagre individual resources and insignificant funds? How we worried about money, materials, and all sorts of other troubles? But today we are leading a worthy life as the masters of the firm collective economy in which labor, talent and technical skill are pooled, and the masters of a large-scale economy which develops rapidly with wide vistas ahead.

Having rid ourselves of all the worries and anxieties which harassed us before, we now have time to think of how better to work in the interests not only of ourselves but of the entire people.

Before our livelihood was precarious and we always felt uneasy about our life which was based on speculation, but today we are enjoying a secure life which is improving with every passing day, in creative labor.

Before, stalls were poky as nostrils and cramped workshops were all that could be said of our life, but today the members of producers' co-operatives are leading an immeasurably promising life which is run along the broad avenue of socialism.

We are advancing together with the entire working people in the ranks of glorious socialist builders.

Not only we are leading a happy life today, but a bright future is promised us. How brilliant the future of our children is, the children who are now studying to their

heart's content in the democratic schools in peace, growing up as invaluable talents of the country, communist builders of tomorrow!

Look at the woeful plight of medium and small tradesmen and industrialists in South Korea! Due to oppression and plunder by U.S. imperialists and Syngman Rhee clique and restriction and exploitation by comprador capitalists and usurers, they are driven to ruin.

Because of the policy of U.S. imperialists and Syngman Rhee clique for stifling the national industry, medium and small tradesmen and industrialists are unable to obtain funds, materials and raw materials. They have no market for their goods which they have barely managed to manufacture, on account of the overflowing U.S. goods. Thus, many medium and small traders and industrialists go bankrupt every day.

There are also exacting taxes and debts due to usurers, which are beyond endurance, driving them to bankruptcy.

Having been deprived of their means of living, innumerable medium and small tradesmen and industrialists are rendered jobless and are roaming the streets.

The two contrasting realities mentioned above confirm that only the road pointed to by the Workers' Party of Korea and the people's power is the road to our happiness and that only the road of socialism is the road to our prosperity.

Through their experiences in life, the entire workers in the field of our local industry firmly believe in the correctness of the policy of the Workers' Party of Korea.

We availed ourselves of the valuable forum of our

Congress to express profound thanks to the Central Committee of the Workers' Party of Korea and the Government of the Republic for leading us along the road to a worthy new life, and we manifested our firm determination to rally still more firmly around the Party and Government and give full play to our patriotic enthusiasm in socialist upbuilding.

The progress in socialist construction brings before our local industry still more important tasks.

Development of local industry will play an essential part in shortening the path leading up to the eminence of socialism, in view of the actual situation in our country.

Progressing side by side with large-scale national industry, local industry makes a great contribution to rapidly increasing industrial production of the country and meeting the increasing requirements of the people for consumer goods.

Local industry, by bringing production nearer to the sources of raw materials and consumers' districts, brings large profit and makes it possible to organize production everywhere in a simple way, thereby turning to account the hitherto hidden resources of raw materials, idle materials and idle labor power in the local areas.

It will ensure the rapid development of the local economy, and enlist large numbers of family members of workers and office employees in production, thus tempering them politically and ideologically as well as improving their living.

Development of local industry will further strengthen the ties between towns and rural villages, between indus-

try and agriculture, as well as the worker-peasant alliance.

It will help forward the technical reform in the countryside and greatly contribute to gradual elimination of differences between towns and villages.

Our workers in the field of local industry are thus dealing with an important task in socialist construction.

Having captured a height in socialist construction, our people are now entering upon the stage of the struggle for a higher eminence.

The Workers' Party of Korea and the Government of the Republic have stipulated next year as a adjusting year during which preparations should be made for a fresh advance.

Especially it is emphasized that decisive efforts should be made for the improvement of the people's living standard.

In carrying out these tasks, local industry will play a big role.

The Workers' Party of Korea and the Government of the Republic have taken an epochal step for further development of local industry, and hope that we workers in the field of local industry will achieve new innovations and advance by energetically carrying out the Party policy.

All the workers, technicians and office employees at the state-owned local factories,

All the members of producers' co-operatives,

All the workers in the field of local industry,

The National Congress of Activists of Local Industry and Producers' Co-operatives call upon you to uphold the policy of the Workers' Party of Korea and display creative enthusiasm for a swifter development of local industry.

We have every necessary condition for further developing local industry.

We have already laid a material and technical foundation to a definite extent for local industry and acquired technical skills and experiences in a considerable measure.

Everywhere in our country, raw material can be obtained in quantities. Our country has a powerful heavy industry which can give support in improving the technical equipment of local industry.

Of late, in particular, the Party and the Government, with a view to strengthening the self-supporting foundation of local industry, saw to it that each province built a combined machine-building factory, an iron works and a cement factory, while creating a base for fuel production.

Innumerable managerial cadres and technical workers have been dispatched.

With a firm foundation laid, our local industry has broad vistas for its development.

The question rests with the revolutionary enthusiasm and creative wisdom of the workers, technicians and office employees in the field of our local industry, it lies in the organization of work and guidance by the functionaries of the local government bodies.

We are the honourable riders of the Chullima which is tearing ahead with lightning speed.

We are fighters from the ranks of victors who have built so many local factories and turned out goods within a short space of time.

Inexhaustible are our creative enthusiasm and wisdom, no fortress is strong enough to defy our conquest. Let's

devote all our zeal and talents to further development of our local industry and increasing production.

As their life is becoming more abundant with each passing day, our people present bigger demands for greater variety of daily necessities.

Our foremost task is to meet the growing demands of the population by further increasing the production of processed foodstuffs and articles of daily use and further expanding the variety.

It is our duty to see that our working people, with their increasing incomes, buy with ease at any time they wish the goods that suit their taste and improve their living.

Let us produce in greater quantities all the goods necessary for daily life and cultural use so that our working people can eat well, dress well and lead as good a life as other people do.

We must decisively improve the quality of products.

All the goods we produce must be durable, handy and attractive to suit the demands of the working people in the era of socialism.

When weaving even a yard of fabrics and making even a piece of furniture we must do the work with as great care as we do when carrying out our own business.

The products we make must be worthy of the products in the era of Chullima.

Let us bring about innovations in the production of foodstuffs!

We must produce a great variety of processed foodstuffs, tasty and with high nutritive value, so that our working people can enjoy delicious dishes of good food.

Let us supply to the working people fresh processed vegetables in all seasons by developing the processing of various kinds of vegetables, grown in the fields and gathered in the mountains!

Let us process the fish we catch in large quantities in our country so that the people in all parts of the country can eat them with relish!

Measures must be taken to supply good fresh and frozen fish in greater quantities.

Let us introduce mechanization in fish processing, and produce great variety of processed entrails, salted goods and condiments in larger quantities!

We must step up the processing of animal products in keeping with the development of stock breeding.

Let us develop on a big scale the processing of all animal products—duck, chicken and rabbit meat, eggs, milk, etc.!

Production of edible oil must be stepped up in a planned way, and in every city and county tasty soy and bean paste should be produced in abundance to meet the demands of the local population.

We must produce soft drinks in large quantities. Let us see that everyone drinks whenever he wishes tasty, cool soft drinks. Let us make good quality refreshing drinks in large quantities with mineral water and wild fruits such as bilberry, wild grape, *Actinidia arguta* and wild strawberry!

In every province, production of beer, cider, ice-cream and aerated water must start at an early date.

Sugar production is the weakest link in our foodstuff



industry. Within the next few years, we must step up sugar output to the 100,000 tons mark.

Let us speedily increase sugar production and satisfactorily meet the demands of the people for sugar and confectionery!

Let us produce and supply more processed nutritious foodstuffs so that our dear children may grow up healthy and sound.

Let all of us bring to full play our wisdom and creative initiative in order to end in our time the century-old backwardness of our foodstuff industry, improve the diet of our people and promote their health!

We must further step up and expand the production of articles of daily use!

Let us produce more durable and attractive fabrics!

In the production of fabrics, local industry must put stress on the processing of various kinds of hemp fibres and fibres from wild plants.

Our forefathers for a long time made their clothes from the skilfully woven hemp-cloth.

Let us make clothes for the masses with the materials made of various kinds of hemp fibres including flax, and make cloth for work clothes and packing cloth of the fibres from wild plants.

We must manufacture silk fabrics, fabrics from artificial fibres, increase the output of knitted goods such as underwear and socks, and improve the tailoring.

Let us produce 100-150 million metres of fabrics within the next 4 to 5 years!

For the carrying out of the tasks of cultural revolu-

tion, good quality paper is needed in greater volume.

Let us build in large quantities paper-making machines made partially of wood, and manufacture paper in every place!

Let us build in every province, city and county a paper mill with average daily production capacity of more than one ton, and in the near future turn it into the mill with daily production capacity of more than 3 tons!

Local industry must produce on its own various kinds of paper such as writing-paper, paper for floors and walls, packing paper, card-board and toilet paper, and in the future must manufacture printing paper including the paper for the press.

Let us meet on our own local demands for paper!

We have inexhaustible, good quality raw materials for pottery and porcelain in all parts of the country.

We have long-standing fine tradition in the manufacture of durable, practical and elegant pottery and porcelain.

The pottery and porcelain manufactured by our ancestors earned world fame.

Let us manufacture more tableware, handicraft products, pottery and porcelain tubes, radiators and vessels for sanitary purpose by continuously expanding local pottery and porcelain works!

Our working people who live a comfortable life in modern houses are demanding nice-looking handy furniture.

Let us equip furniture factories with modern technique and speedily increase the production of cheap but good quality furniture of various types!

Let us increase the output of embroideries and step up the production of various kinds of traditional handicraft goods with such locally obtainable raw materials as shell, fish scale, stone and *Cyperus exaltatus*!

We must produce in abundance various kinds of stationery, musical instruments, recreation paraphernalia, perfume, toilet articles, travelling bags and pay keen attention even to miscellaneous goods.

Let us make in large quantities baskets, rattan-chairs, suit-cases with wicker and lespedeza, and manufacture summer hats, bags and straw mats with grass and straw such as *Cyperus exaltatus* and bulrush!

It is our greatest honour to produce an abundance of diversified, good quality articles of daily use and see that our people do not feel any inconvenience in their living.

An important task of meeting local demands for farm machines is set before our local industry.

Let us devise farm machines suited to local peculiarities and manufacture them in large quantities by strengthening material and technical foundation of city- and county-operated farm machine factories!

Let us further expand the production of cement, stone, brick and tile to meet the local demands for building materials!

For the sound development of local industry, it is necessary to establish firm-bases of raw materials.

We have inexhaustible natural wealth in all parts of the country.

Let us explore and mobilize in every possible way the natural resources in the eastern and western seas and the

natural raw material resources in mountains and fields!

It is impossible to develop local industry actively without creating firm raw material bases.

Let us create new raw material bases under a far-reaching plan and steadily expand them!

Let us extend the area under industrial crops in conformity with the geographical features by making effective use of the arable land in every city and county, and plant industrial crops and trees in all vacant areas—hillsides, embankments, along railway lines, roadsides and coastal areas!

Most important in the local industry is the bases of raw materials of fibres. We cannot solve the question of raw materials of natural fibre by relying only on cotton.

Let us increase on a large scale the production of hemp fibres!

Let us energetically strive to extend the area under flax, hemp, jute and China grass and enlist various kinds of wild fibre resources!

Attention must be given to the solution of the question of artificial fibres, along with hemp-fibres.

We must solve the question of raw materials of paper under prospective plan.

For the solution of the question of raw materials of paper and artificial fibres, let us create extensively forest of economic value in mountainous areas, swampy land in plain areas, coastal areas and riversides by planting fast growing trees such as poplar, aspen and *Populus maximowiczii*!

In order to secure resources of vegetable oil, let us

extensively push ahead with the planting of walnut, *Juglans Mandshurica*, *pinus pentaphylla* and paulownia!

Let us protect and rear the plants needed for industrial purposes such as *Cyperus exaltatus*, willow, lacquer-tree, lilac, aronia, etc. and extend the area under these plants!

Agricultural co-operatives assume important tasks in creating raw material bases for local industry.

Entire agricultural co-operative members!

Produce and supply more edible oil and raw materials for subsidiary diet by extending the area sown to rape and other oil bearing crops and vegetables.

Select the area suited for the cultivation of sugar beet and extend the area sown to beets.

Supply in abundance raw materials for processed animal products by raising more domestic animals and fowls!

Workers in the field of local industry must organize for themselves the production of raw materials for chemicals.

Step up the production of paints, pigments and dye-stuffs!

Waste products in large-scale factories and enterprises are valuable raw materials for local industry. Large-scale factories and enterprises should supply their waste products to the factories of local industry instead of throwing them away.

Exploration and mobilization of local raw material resources are the enormous undertaking of exploiting the nature.

Let us unfold a nation-wide movement to create firm

raw material bases of local industry!

Speedy development of local industry depends on the strengthening of its technical equipment.

Let us turn our local factories into the latest factories of light industry within the next few years!

This is the guarantee for lowering production cost and an important factor for ensuring speedy growth of industrial production and improving the quality of products.

For the strengthening of technical equipment, it is necessary to introduce mechanization actively. We must mechanize the basic process of work based on manual labour within the next 2 to 3 years by launching a creative struggle.

In all state-operated factories and factories of producers' co-operatives in the field of local industry, let us start with small-scale mechanization which can easily be introduced and gradually go over to complicated mechanization!

Let us actively push forward with the designing of the machines needed for producing various kinds of food-stuffs and articles of daily use, and among the masses launch widely a movement to devise medium- and small-sized machines suited to local industry!

In order to speed up mechanization, we must strengthen the machine-building bases of local industry.

Expand continuously all province-run general machine factories and improve their equipment!

Develop further the movement for multiplying machine tools! And at the same time, improve the quality of the machine tools, produce and install various assortments

of machine tools in a rational way. Maximum aid on the part of the factories and enterprises of the national industry is required for the mechanization of the factories of local industry.

Workers, technicians and office employees of the enterprises of the national industry,

Actively support the mechanization of local industry!

Equip technically the factories of local industry by your noble spirit of co-operation and revolutionary enthusiasm!

Mechanization requires high technique and skill of the workers. It is impossible for us to become the masters of the mechanized factories without acquiring technique. All workers, technicians and office employees in the state-owned local factories and all members of the producers' co-operatives, exert efforts steadily to improve your technique and skill!

Produce a great number of engineers and technicians in a short space of time and enlarge their ranks!

In order to furnish local industry with technical equipment factories should be built and expanded in an orderly way and on modern lines.

Carry out on a big scale the construction of the factories with arch-shaped ceilings by utilizing weathered granite, adobe, stones and other local materials!

Introduce innovations into the factories of local industry within the next one or two years!

It is necessary for the further development of local industry to raise the management level and improve the guidance work. The enhancement of the planning level and

the strengthening of the cost-accounting system are the main points in consolidating the factories of local industry, organizationally and economically.

Put an end to the lack of discipline and order, do all the work in a planned way and strengthen the system; order and discipline!

Heighten the cultural level in production and keep your shops always clean!

Work out practical plan with the help of scientific analysis taking into account production, supply of materials, marketing, etc. and enforce discipline in planning!

Lay vast plan for the capital construction, mechanization, expanding variety of products, raising quality and reducing production cost and manage the work with perspective.

There are plenty of reserves to reduce production cost. It is necessary to raise constantly labour productivity, cut down the per unit expense of the raw materials and curtail non-production expenditure. Stubbornly wage the struggle for raising profitableness!

All the producers' co-ops must develop commonly-owned economy strictly adhering to the principles of the rules.

All the members of the producers' co-ops should unite firmly and strictly discharge the duties provided for in the rules.

Exalt democracy in the producers' co-ops, and all the co-op members should display activity and creativeness as the masters of the commonly-owned economy!

Establish the strict socialist principles of distribution



in all the factories and enterprises of local industry and liquidate wage levelling and correctly combine material interests of the working people in production with their conscious enthusiasm.

The workers of the local government bodies and managerial workers of local industry must grasp the main link of the task and put all their energy into the accomplishment of the task. By doing so they should develop local industry effectively.

Let us bring about a great innovation in running factories by conducting political work before all other work and firmly relying upon the revolutionary enthusiasms of the masses.

You must go deep among the masses and give active guidance and do your best to acquire knowledge of industry and technique.

All the workers in the field of local industry must further strengthen their communist education.

Firmly arm yourselves with the ideology of the working class through studying and labour and heighten your revolutionary consciousness by industriously learning the revolutionary tradition of the Workers' Party.

It is necessary to profoundly understand the correctness of the Party policy and the superiority of the socialist system which won victory in towns and the countryside and cultivate noble political and moral qualities as socialist builders.

Liquidate all the survivals of outmoded ideology, take good care of state and common property, subordinate

private interest to public interest and foster noble spirit of collectivism: "One for all, all for one."

Let us sweep away all the outmoded conventions and traditions and raise production culture and establish noble, beautiful morals.

In our society labour is most honourable and is a sacred duty.

It is our creative labour that brings us happiness.

Let us strenuously fight against loafers and selflessly struggle for the prosperity and development of the dear fatherland with the socialist attitude towards labour!

The struggle for the further development of the local industry is the struggle for the promotion of socialist construction and for hastening the day of the peaceful unification of the fatherland.

Our success will become the factor eliminating the country's division and our labour will contribute to the building of socialist and communist paradise in our dear country, the paradise where our succeeding generations will enjoy happy life.

We are marching along the path leading to the day when there will be forests of chimneys of the modern factories in every part of the country and the people will be leading a happy life with all products in abundance.

All workers, technicians, office employees in the state-owned local factories,

All members of producers' co-operatives,

All workers in the field of local industry,

All working people,

Let us vigorously march forward under the banner of

the glorious Workers' Party of Korea which guides us to a bright future — to a happy life!

Let us closely unite around the Central Committee of the Workers' Party of Korea and the Government of the Republic headed by Marshal Kim Il Sung and march forward towards the higher eminence of socialist construction with the irresistible power of a big attacking force which sweeps away everything before it.

*October 15, 1959*

**NATIONAL CONGRESS OF AC-  
TIVISTS OF LOCAL INDUSTRY  
AND PRODUCERS' CO-  
OPERATIVES**



*Printed in the Democratic People's Republic of Korea*